

CO-OPERATIVE FEDERATION OF VICTORIA LTD
FINANCIAL STATEMENTS
YEAR ENDING 30 JUNE 2010

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

To the members,

Your directors submit their report, together with the accounts of the Federation, for the year ended 30 June 2010.

DIRECTORS

The Directors in office during the year and up to the date of this report are:

Diane BATTERHAM
John Niel BLACK
David Graham DINNING
Shirley FARAM
Anthony Francis O'SHEA

COMPANY SECRETARY

Mr David Griffiths held the position of secretary at the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Federation in the course of the financial year were:

- Maintaining relations with the Registry of Co-operatives
- Maintenance of Australian Co-operative portal <www.australia.coop>
- Promoting the Co-operative option
- Conducting seminars and workshops
- Participating in meetings of the Co-operatives Council of Australia
- Development of a Co-operative education program
- Fostering co-operation between Co-operatives.

OPERATING RESULTS FOR THE YEAR

The surplus of the Federation for the financial year after provision for income tax was \$466 (2009 deficit of \$345).

ENVIRONMENTAL REGULATION

The Co-operative's activities are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The Directors recommend that no amount should be paid by way of dividend. No amount has been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

The Federation concluded the financial year with an operating surplus of \$466 after provision for income tax compared to a deficit of \$345 the previous year.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Federation over the year.

INFORMATION ON DIRECTORS

Diane Batterham

Director
Executive of Westgate Health Co-operative Ltd.

John Niel Black

Past Chairman
32 years experience as Co-operative Director

David Graham Dinning

Independent Director
32 years as a Director and Manager and full-time professional at various levels
of the Credit Co-operative movement in Australia and overseas.

Shirley Faram

Director
Director of South East Housing Co-operative Ltd

Anthony Francis O'Shea

Chairman
Director and Secretary, Avoca District Co-operative Ltd
35 years experience as Co-operative Director/Manager

Six board meetings were held during the 2009/10 year. The attendances at board meetings were:

Name	Number of Meetings Attended	Number of Meetings Eligible to Attend
D. Batterham	2	6
N. Black	6	6
D. Dinning	6	6
S. Faram	5	6
A. O'Shea *	3	6

* Leave of Absence granted.

DIRECTORS EMOLUMENTS

Directors are not paid any fees for services as a director. The directors were paid for consultancy services and reimbursements as follows:

	Consultancy Fees	Reimbursements	Total
	\$	\$	\$
A. O'Shea	-	35.01	35.01
N. Black	-	-	-
D. Dinning	-	24.75	24.75
D. Batterham	-	-	-
S. Faram	-	-	-
	<hr/>	<hr/>	<hr/>
Total	-	59.76	59.76
	<hr/>	<hr/>	<hr/>

Excepting the amounts disclosed above, since the end of the previous financial year, no Director of the Federation has received or become entitled to receive a benefit, by reason of a contract made by the Federation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

No director has an interest in a contract which the directors are entitled to a benefit which confers a right to call for or deliver shares in, or debentures of or interest in a registered scheme made available by the Federation or a related body corporate.

AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the Federation's operations for the next succeeding financial year.

INDEMNIFYING OFFICERS OR AUDITORS

The Federation has paid a premium to insure directors and officers against liability for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Federation, other than conduct involving wilful breach of duty in relation to the Federation.

The Federation has not given or entered into an agreement to indemnify any person who is or has been an officer or auditor of the Federation in relation to defending legal proceedings.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed on this day of November, 2010.

.....
Director – David Dinning

.....
Director - Tony O'Shea

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
INCOME			
Consultancy Fees		15,166	17,425
Co-operative Education Programs		7,400	4,964
Membership Subscriptions		11,480	15,780
Sundry Income		<u>-</u>	<u>273</u>
		<u>34,046</u>	<u>38,442</u>
EXPENSES			
Accounting Fees		715	660
Advertising		514	-
Bank Charges		70	43
Co-operative Education Programs		6,642	2,142
Conference		200	532
Fees & Levies		47	159
Honorariums	6	5,112	5,538
Insurance		1,760	1,915
Meeting Expenses		1,299	2,750
Office & Computer Requisites		632	1,396
Postage, Printing & Stationery		1,440	1,279
Secretary's Consultants Fees		12,140	13,640
Stock Write-off		-	3,030
Sundry Expenses		-	283
Telephone, Fax & Internet		2,400	5,001
Travel and Accommodation Reimbursements		<u>609</u>	<u>419</u>
		<u>33,580</u>	<u>38,787</u>
OPERATING SURPLUS/(DEFICIT)		<u>466</u>	<u>(345)</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
Operating Surplus Before Income Tax		466	(345)
Income Tax Expense Attributable to Operating Surplus	2	<u>-</u>	<u>-</u>
Operating Surplus After Income Tax		466	(345)
Retained Surplus at the beginning of the Financial Year		<u>11,751</u>	<u>12,096</u>
Retained Surplus at the end of the Financial Year		<u><u>12,217</u></u>	<u><u>11,751</u></u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**BALANCE SHEET
AS AT 30 JUNE 2010**

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash at Bank		13,443	11,562
Trade Debtors		450	1,845
		<hr/>	<hr/>
Total Current Assets		13,893	13,407
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Investments			
- Community Enterprise Network (at cost)		-	10
- CPS Ltd (at cost)		-	10
		<hr/>	<hr/>
Total Non-Current Assets		-	20
		<hr/>	<hr/>
TOTAL ASSETS		13,893	13,407
		<hr/>	<hr/>
CURRENT LIABILITIES			
Sundry Creditors		-	-
		<hr/>	<hr/>
Total Liabilities		-	-
		<hr/>	<hr/>
NET ASSETS		13,893	13,407
		<hr/>	<hr/>
EQUITY			
Share Capital	3	570	550
Reserves		1,106	1,106
Retained Surplus		12,217	11,751
		<hr/>	<hr/>
Total Equity		13,893	13,407
		<hr/>	<hr/>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2010**

	Ordinary Shares	Retained Surplus	Forfeited Share Reserve	Statutory Reserve	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2008	540	12,096	790	316	13,742
Operating Surplus	-	(345)	-	-	(345)
Ordinary Shares Issued	10	-	-	-	10
Balance at 30 June 2009	550	11,751	790	316	13,407
Operating Surplus	-	466	-	-	466
Ordinary Shares Issued	20	-	-	-	20
Balance at 30 June 2010	570	12,217	790	316	13,893

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$ Inflows (Outflows)	2009 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from operating activities		35,441	36,597
Cash Payments from operating activities		<u>(33,580)</u>	<u>(35,747)</u>
Net Cash Provided by Operating Activities	4(b)	<u>1,861</u>	<u>850</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital Received		20	10
Share Capital Redeemed		<u>-</u>	<u>10</u>
Net Cash Provided by Financing Activities		<u>20</u>	<u>20</u>
Net increase in cash held		1,881	870
Cash at the beginning of the financial year		<u>11,562</u>	<u>10,692</u>
Cash at the end of the financial year	4(a)	<u>13,443</u>	<u>11,562</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2010

1. Statement of Accounting Policies

a) Basis of Accounting

The Co-operative Federation of Victoria Ltd is a non-reporting entity because in the Directors' opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs, and these accounts are therefore a "Special Purpose Financial Report" that has been prepared solely to meet the *Co-operatives Act 1996* requirements to prepare accounts.

The accounts have been prepared in accordance with the requirements of the *Co-operatives Act 1996*, and the following applicable Accounting Standards and Australian Accounting Interpretations:

- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110: Events after the Balance Sheet Date
- AASB 117: Leases
- AASB 1031: Materiality
- AASB 1048: Interpretation and Application of Standards

No other Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The accounts have been prepared under the historical cost convention and, therefore, do not take into account changing money values or, except where stated, the current value of monetary assets.

The accounting policies adopted are consistent with those applied in the previous year, unless specifically stated.

b) Plant and Equipment

Plant and equipment are included at cost. All assets are depreciated over their useful lives by the straight line method.

d) Income Tax

The charge for current income tax expense is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting surplus or taxable income or loss.

CO-OPERATIVE FEDERATION OF VICTORIA LTD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2010

d) Income Tax (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
2. Income Tax Expense		
a) The prima face tax payable on operating surplus is reconciled to the income tax provided in the accounts as follows:		
Operating Surplus before Income Tax	466	(345)
Less Exempt Mutual Income	<u>(466)</u>	<u>-</u>
Tax Profit/(Loss)	-	(345)
Tax losses not booked	-	345
Tax losses utilised	<u>-</u>	<u>-</u>
Income Tax Expense	<u><u>-</u></u>	<u><u>-</u></u>

CO-OPERATIVE FEDERATION OF VICTORIA LTD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
3. Share Capital		
Issued capital: 285@\$2 shares (2009: 275@\$2)	<u>570</u>	<u>550</u>
4. Cash flow Statement Information		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank – Bendigo Bank	<u>13,443</u>	<u>11,562</u>
(b) Reconciliation of operating surplus/(loss) to net cash flows from operation as follows:		
Operating Surplus/(Deficit) After Income Tax	466	(345)
Depreciation	-	-
Decrease/(Increase) in stock	-	3,030
Decrease/(Increase) in debtors	1,395	(1,845)
Decrease/(Increase) in investments	<u>20</u>	<u>10</u>
Cash flows (used in)/provided by operations	<u>1,881</u>	<u>(850)</u>
6. Honorariums	<u>5,112</u>	<u>5,538</u>
Honorarium payments are to the Secretary. The Secretary is the sole recipient of any honorarium payments.		

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS DECLARATION

The Directors have determined that the Federation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1. The financial statements and notes, as set out on pages 4 to 12:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Co-operatives Act 1996*; and
 - b. give a true and fair view of the Federation's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

Signed this day of November, 2010 in accordance with a resolution of Directors.

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Director – David Dinning

.....
Director - Tony O'Shea

CO-OPERATIVE FEDERATION OF VICTORIA LTD

COMPILATION REPORT

We have compiled the accompanying special purpose financial statements of Co-operative Federation of Victoria Ltd, which comprise the Balance Sheet as at 30 June 2010, Profit and Loss Statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Directors of Co-operative Federation of Victoria Ltd are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors and members of the company. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

Prowse Perrin & Twomey
Certified Practising Accountants

20 Lydiard Street South
BALLARAT VIC 3350

Mr T.S. Bunning (Partner)

9 November 2011